

**Department of Personnel Administration  
Memorandum**

**TO: Personnel Management Liaisons (PML)**

<b>SUBJECT:</b> Transfer Leave Credits	<b>REFERENCE NUMBER:</b> 2008-045
<b>DATE ISSUED:</b> 12/08/08	<b>SUPERSEDES:</b>

This memorandum should be forwarded to:

**Personnel Transaction Staff  
Personnel Transaction Supervisors  
Personnel Officers  
Employee Benefit Officers**

**FROM:** Department of Personnel Administration  
Savings Plus Program

**CONTACT:** Lupe C. Vela, Staff Personnel Program Analyst  
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PML 2008-030 notified you that due to a change in the Internal Revenue Code (IRC Section 415) employees who separated prior to November 1, 2008 are not able to defer their unused qualifying accrued leave (i.e. vacation, annual leave, holiday leave, or other time which the employee was entitled compensation) to Savings Plus in 2009.

Therefore, due to the change to IRC Section 415, employees that separated from January 1 – October 31 and submitted a request to transfer their leave credits into Savings Plus in 2009 will now receive a cash payment for these leave credits. The cash payment will be issued in January of 2009. Please process the payments as soon as possible in January.

As indicated in PML 2008-030, DPA was awaiting a decision to address employee requests to defer lump sum separation cash payments to the next tax year. SCO has determined there will be no change to the current practice.

The following sample letter will assist you in disseminating information to your employees for the cash payment of leave credits ineligible for deferment into Savings Plus.

/s/Michelle Berklacich

Michelle Berklacich, Administrator  
Savings Plus Program

SAMPLE LETTER TO EMPLOYEE  
REGARDING LUMP SUM  
PRINT ON DEPARTMENT LETTERHEAD

The following sample letter will assist departments in disseminating information to employees for the payment of lump sum that was to be deferred into a Savings Plus account.

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(Date)

(Employee's Name)  
(Address)  
(City, State, Zip Code)

Dear (Name):

Re: Request to Transfer Lump Sum

As a result of a change in the Internal Revenue Code (IRC Section 415), your election to transfer your unused qualifying accrued leave (i.e. vacation, annual leave, holiday leave, or other time which you were entitled compensation) to your Savings Plus account to the 2009 calendar year is no longer an available option. Accordingly, you will be issued a cash payment for the corresponding amount in January 2009.

If you have questions regarding this, please contact (Name, Title) at (Telephone Number).

Sincerely,

INSERT DEPARTMENT CONTACT